

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY LIMA

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

C O N F I D E N T I A L STATE 083633

E.O.11652:GDS

TAGS: PFOR, MASS, CI, EC, PE, US

SUBJ: RECENT MAJOR ACQUISITIONS OR EXPRESSED INTEREST IN
PURCHASES UNDER FMS BY NAVIES OF CHILE, ECUADOR, AND
PERU

1. BECAUSE OF HEIGHTENED INTEREST IN MILITARY BALANCE ON
WEST COAST OF SOUTH AMERICA, DEPARTMENT BELIEVES IT USEFUL
FOR ADDRESSEE POSTS TO BE INFORMED OF PURCHASES OR
EXPRESSED INTEREST IN PURCHASES UNDER FOREIGN MILITARY
SALES (FMS) ACT BY HOST COUNTRY NAVIES SINCE JANUARY 1973.
THIS WOULD PARALLEL SHARING OF INFORMATION ON THE
FISHERIES DISPUTE. THIS MESSAGE INTENDED TO BRING
ADDRESSEES UP TO DATE. DEPARTMENT BELIEVES THAT HENCE-
FORTH ANY OFFICIAL COMMUNICATION BETWEEN THE DEPARTMENT
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AND ANY OF ADDRESSEE POSTS CONCERNING MAJOR ACTUAL OR

POTENTIAL ACQUISITIONS BY HOST COUNTRIES SHOULD ALSO BE REPEATED TO OTHER ADDRESSEES OF THIS MESSAGE.

2. PERU:

PERU INELIGIBLE FOR SALES, CREDITS OR GUARANTIES UNDER SECTION 3(B) OF FMS ACT (AS RESULT OF FISHING VESSEL SEIZURES) FROM DECEMBER 1972 UNTIL MAY 1973 WHEN SECRETARY ROGERS ANNOUNCED WAIVER THIS PROVISION DURING VISIT TO LIMA.

A. SINCE MAY 1973 PERUVIAN NAVY HAS PURCHASED SPARES FOR

U.S. EQUIPMENT IN ITS INVENTORY; EX-ISHERWOOD (DD-529) AND EX-BENHAM (DD-796), BOTH FLETCHER CLASS DESTROYERS ON LOAN TO PERU SINCE EARLY 1960'S, ONE MINESWEEPER HULL (MSF-311) FOR CONVERSION TO A HYDROGRAPHIC SURVEY VESSEL.

B. PERU HAS EXPRESSED AN INTEREST IN AND HAS BEEN OFFERED: ONE MINESWEEPER (MSF-380) ON LOAN TO PERU FOR SOME YEARS; NINE S-2E TRACKER AIRCRAFT; AND SIX SH3D HELICOPTERS WHICH PERU DECIDED NOT TO BUY BECAUSE OF HIGH COST.

C. PERU HAS EXPRESSED AN INTEREST IN PURCHASING AND WILL BE OFFERED TWO GUPPY 1-A CLASS SUBMARINES NOW IN RESERVE FLEET (OVERHAUL NECESSARY AT ABOUT DOLS 5 MILLION APIECE-- SHIPYARD AVAILABILITY UNCERTAIN); 32 UH-1(N) HELICOPTERS; TWO FLETCHER CLASS DESTROYERS FOR LOGISTICS SUPPORT (CAN ONLY BE CANNIBALIZED FOR SPARE PARTS AND HULLS SCRAPPED-- CANNOT BE ACTIVATED); ONE MINESWEEPER (MSF-382) ON LOAN TO PERU FOR SOME YEARS; ONE TUG (ATF90) ON LOAN TO PERU FOR SOME YEARS, AND PLANS FOR CONSTRUCTION OF LST VESSELS OF NEWPORT TYPE.

D. PERU HAS EXPRESSED AN INTEREST IN PURCHASING ADDITIONAL DESTROYERS (NOT NOW AVAILABLE); LSD'S (NOT AVAILABLE AND FUTURE OUTLOOK IS POOR); ONE FLOATING DRYDOCK (NOT NOW AVAILABLE); A SMALL NUMBER OF MISCELLANEOUS SERVICE CRAFT AND A SHIP-BOARD MISSILE SYSTEM (NOW UNDER INTER-AGENCY REVIEW).

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3. ECUADOR:

BECAUSE OF FISHING BOAT SEIZURES ECUADOR WAS UNDER SECTION 3(B) OF FMS ACT INELIGIBLE FOR FMS SALES, CREDITS OR GUARANTIES FROM JANUARY 1971 UNTIL JANUARY 1974, WHEN PRESIDENT WAIVED THIS LIMITATION. HE ECUADOREAN NAVY, LIKE OTHER BRANCHES OF ECUADOREAN ARMED FORCES, HAS DURING PAST YEAR BEGUN PLANNING FOR SUBSTANTIAL ACQUISITIONS OF NEW EQUIPMENT TO REPLACE LARGELY OBSOLESCE

AND WORN OUT INVENTORY. A MAJOR FACTOR STIMULATING PLANNING HAS BEEN AVAILABILITY TO GOE OF GREATLY EXPANDED FINANCIAL RESOURCES AS RESULT OF INITIATION OF OIL EXPORTS IN AUGUST 1972. TRADITIONALLY MOST EN SHIPS HAVE COME FROM U.S. AND LIFTING OF FMS BAN HAS ENCOURAGED ECUADOREAN NAVY TO LOOK AGAIN TOWARD US AS POTENTIAL SUPPLIER. ECUADOREAN NAVY OFFICIALS HAVE MADE CLEAR THEIR PREFERENCE FOR OBTAINING VESSELS AND OTHER EQUIPMENT DESIRED FROM US IF POSSIBLE.

A. ECUADOR HAS INDICATED INTEREST IN ACQUIRING FOLLOWING GENERAL TYPES OF VESSELS: DESTROYERS OR DESTROYER ESCORTS, SUBMARINES, LST'S, RIVER AND COASTAL PATROL CRAFT AND A

HYDROGRAPHIC SURVEY VESSEL.

B. IN RESPONSE TO ECUADOREAN EXPRESSIONS OF INTEREST, USG HAS RECENTLY COMPLETED REVIEW OF POSSIBLE ASSISTANCE THAT MIGHT BE PROVIDED TO ECUADOREAN NAVY AND WILL OFFER ECUADOR FOLLOWING VESSELS: ONE "HOT TRANSFER" DESTROYER FOR DELIVERY IN FY 76, ONE DESTROYER FROM INACTIVE FLEET (WOULD REQUIRE OVERHAUL AT COST OF OVER DOLS. 5 MILLION, WITH AVAILABILITY OF SHIPYARD UNCERTAIN), TWO COASTAL FAST PATROL CRAFT (PCFS), AND ONE HYDROGRAPHIC SURVEY BOAT. USG WILL ALSO OFFER TO ASSIST ECUADOR IN ARRANGING NEW CONSTRUCTION BY US BUILDERS OF KNOX CLASS DESTROYER ESCORTS (2 1/2 TO 3 1/2 YEAR LEAD TIME FOR DELIVERY) AND PATROL FRIGATES (PF) (3 1/2 TO 5 1/2 YEAR LEAD TIME).

4. CHILE:

A. SINCE JANUARY 1, 1973 CHILEAN NAVY HAS PURCHASED:
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THREE LST'S (277, 1066 AND 1067); ONE FLOATING DRY-DOCK (ARD-25); EX-CHARLES E. SPERRY (DD 697-SUMNER CLASS); AND EX-D.H. FOX (DD 779-SUMNER CLASS); AND 28 EXCESS LVTP-5 (AMPHIBIOUS TRANSPORT VEHICLES FOR CHILEAN MARINES).

B. CHILE HAD EXPRESSED AN INTEREST IN AND WAS OFFERED ONE OILER HULL (NANTAHALA) WHICH IT LATER DECLINED.

C. CHILE HAS EXPRESSED AN INTEREST IN AND THE USG HAS APPROVED THE SALE OF: ONE FLETCHER CLASS DESTROYER HULL FOR LOGISTICS SUPPORT (CAN ONLY BE CANNIBALIZED - CANNOT BE ACTIVATED); SPARE PARTS AND ORDNANCE FOR TWO SUMNER CLASS DESTROYERS; 2 AN/SQS 40-41 SONARS; 6 MARK 32 TORPEDO TUBES; PLANS AND TECHNICAL SPECIFICATIONS FOR

ARS-38 TOWBOAT; SPARES FOR US EQUIPMENT IN ITS INVENTORY;
AND 300 SSQ-47A SONOBUOYS, AND SPARE PARTS FROM ONE SUMNER
CLASS DESTROYER NOW BEING DISMANTLED IN PHILADELPHIA
(HULL NOT RPT NOT BEING TRANSFERRED).

D. CHILE HAS ALSO EXPRESSED AN INTEREST IN: ONE GUPPY II
CLASS SUBMARINE (NOT AVAILABLE); SIX HU-16 ALBATROSS
AIRCRAFT FROM USN EXCESS ASSETS (AVAILABLE); AN OCEANOGRAPHIC
RESEARCH SHIP (NOT AVAILABLE); ONE ADDITIONAL FLOATING
DRYDOCK (NOT AVAILABLE) AND ONE BUOY TENDER (NOT AVAILABLE)
. KISSINGER

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